* + At the end of the 1st World War, the treaty of Versailles held Germany responsible for the damage the allies had suffered, and initially demanded Germany to pay 132 billion marks in reparations under the war guilt clause, also known as article 231, but later set the amount to 50 billion marks
    - The amount of marks set to pay changed constantly but they finally set in accordance to what Germany was able to pay over what the Allies claimed they should
    - Reparations were owed to; France, Britain, Italy, Belgium and the US
  + Between 1920 and 1931, Germany paid 20 billion marks
    - Of the reparations 12.5 billion was money **loaned** from American bankers which lead to massive debts
    - The remaining reparations was paid through goods such as coal, chemicals and other assets such as railway equipment
  + The payments were stopped indefinitely in 1931 when they were suspended for one year at the urgings of the US president, Herbert Hoover
  + In 1922 the treaty of Rapallo was signed by Germany and Russia, absolving them of the need to pay reparations to each other.
* **John Maynard Keynes 🡪** believed reparation commission “was a tool that could be employed to destroy Germany’s commercial and economic organization as well as to exact payment” 🡪 was British representative during war and Paris Peace conference
* Étienne Mantoux 🡪 contradicts Keynes and opinion of the fault in reparations
* REPARATIONS ARE SEPARTE TO LOANS
* Loans 🡪 from American bankers – effects on economy 🡪 paid back finally in 2010
* Article 231
* 🡪 author John Foster Dulles 🡪 regretted wording used 🡪 caused anger amongst German people
* 🡪 "Germany [to] accept the responsibility of Germany and her allies for causing all the loss and damage" during the war.